

आयकर अपीलीय अधिकरण, राँची न्यायपीठ, राँची

**IN THE INCOME TAX APPELLATE TRIBUNAL RANCHI BENCH, RANCHI
BEFORE SHRI GEORGE MATHAN, JM & SHRI RATNESH NANDAN SAHAY, AM**

आयकर अपील सं./ITA No.305/RAN/2025

(निर्धारण वर्ष / Assessment Year :2013-2014)

Shyam Sundar Murarka, Murarka House, Main Road, Ranchi-834001	Vs.	ITO Ward-3(1), Ranchi
स्थायी लेखा सं./PAN No. : ACNPM 4222 F		
(अपीलार्थी /Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से /Assessee by	:	Shri Rajiv Ranjan Mittal, AR
राजस्व की ओर से /Revenue by	:	Shri Ram Chandra Marndi, Sr.DR
सुनवाई की तारीख / Date of Hearing	:	06/01/2026
घोषणा की तारीख/Date of Pronouncement	:	06/01/2026

आदेश / O R D E R

Per Bench :

This is an appeal filed by the assessee against the order passed by the Id.CIT(A), National Faceless Appeal Centre (NFAC), Delhi, dated 28.08.2025 for the assessment year 2013-2014.

2. It was submitted by the Ld.AR that the assessment was reopened on the ground that the assessee has lent of Rs.1 crore and it was rotation of money. The assessee gave the explanation that it was not rotation and it had also proved the sources of money. The AO accepted and made no addition. It was the submission that subsequently the AO brought to tax the notional interest on the said loan of Rs.1 crore given by the assessee to Shree Madhusudan Shroff. It was submission that the assessee has not received any interest nor the assessee has any interest income. It was submission that the loan of Rs.1 Crore had been given to the assessee's friend through banking channel/RTGS and the same has also been

returned back during the impugned assessment year itself. It was submission that the addition as made by the AO and as confirmed by the Ld. CIT(A) is liable to be deleted.

3. In reply, the Ld. Sr.DR vehemently supported the order of the AO and the CIT(A).

4. We have considered the rival submissions. A perusal of the facts in the present case clearly shows that the assessee is an individual. In the case of individual the income is to be assessed on the basis of cash. The assessee has given the loan out of his own personal fund. There is no evidence found to show that the assessee has received any interest. The details of the transaction between the assessee and his friend Shri Madhsudan Shroff has also been examined by the AO. Nothing has been found to show that the assessee has received any interest. This being so, notional interest cannot be added especially when the assessee has not borrowed the money but has used from his personal funds for giving the loan. In these circumstances, the addition has made by the AO and as confirmed by the Ld.CIT(A) stands deleted.

5. In regard of addition of Rs.1,50,000/- the assessee has not been able to substantiate that the same was out of his withdrawals or cash in hand. This being so, the addition made by the Id. AO and confirmed by the Id. CIT(A) stands upheld. Thus, this ground of the appeal of the assessee is dismissed.

6. In the result, appeal of the assessee is partly allowed.

Order dictated and pronounced in the open court on 06/01/2026.

Sd/-

(RATNESH NANDAN SAHAY)

लेखा सदस्य / ACCOUNTANT MEMBER

Sd/-

(GEORGE MATHAN)

न्यायिक सदस्य / JUDICIAL MEMBER

राँची Ranchi; दिनांक Dated 06/01/2026

Prakash Kumar Mishra, Sr.P.S.

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant- .
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, राँची / DR, ITAT, Ranchi
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

(Senior Private Secretary)

आयकर अपीलीय अधिकरण, राँची / ITAT, Ranchi